
APPENDIX A

INVENTORY OF SMALL-SCALE, MIXED-USE PROJECTS

Small-Scale, Mixed-Used Development Projects in Los Angeles County

No.	Project Name	Address	Area	City	Developer	Owner	Architect	Total Site Area	# Resid. Units	Resid. Floor Area (sq.ft.)	Retail Floor Area (sq.ft.)	Other Non-Resid. Floor Area (sq.ft.)	Total Non-Resid. Floor Area (sq.ft.)	Total Floor Area (sq.ft.)	% Resid. Floor Area	% Non-Resid. Floor Area	Ref. O. Date	Notes
1	South Sucker Housing			Beverly Hills	City of Beverly Hills	B.H. Senior Housing Corporation	Karmatz & Cotton Associates		150		24,000	877 parking spaces						
2	Pico Avenue Theater Complex			Long Beach	James Corp			142				Theaters and Restaurants						
3	Seaside Village			Long Beach	Rosenbush Co. et al		David M. Assoc	301			15,000	0	15,000					
4	Grand Plaza	801 W Grand	Chinatown	Los Angeles	LA Grand Ltd			290			2,000	0	2,000					
5	Mission Bay Apts.		IS Serrano	Los Angeles			Virginia Tenzman	30,000	42		8,000	0	8,000					
6	San Pedro Fire Building		Lake Tokyo	Los Angeles	Lake Tokyo CDC				73		4,000	0	4,000					
7	Dunbar Hotel		South Central	Los Angeles	Dunbar BDC				41			0	30,000	132,000	77.3%	22.7%		condos (17 affordable)
8	Boomerangville I and II		South Central	Los Angeles	Dunbar BDC		Johannes van Tilburg		86	102,000	30,000	0	9,000	62,900	80.3%	9.7%		
9	Vendee Renaissance		Venice	Los Angeles	Harlan Lee & Associates		Johannes van Tilburg		85	14,500	8,000	0						
10	Walden Walkway		Brandswood	Los Angeles	Dunbar Enterprises													
11	At the Rivers			Norwalk Beach	Indemur Corp												December 1988	
12	James Court	308 Broadway		Santa Monica	James Corp	James Corp and Parents	Johannes van Tilburg	30,000	32	26,804	80,440	0	80,440	118,334	24.2%	75.8%	August 1980	
13		828 Broadway		Santa Monica			Vito Celis	180,000	24	18,826	11,883	0	11,883	29,813	60.4%	39.6%	October 1980	
14		1818 Broadway		Santa Monica		Rudy Thompson	KL Enterprises	7,500	3	3,320	2,381	0	2,381	5,881	58.4%	41.6%	1984	
15		1541 Ocean Avenue		Santa Monica	Herb Kendall		Donald L. Frachnow	30,000	10	9,143	55,778	0	55,778	64,821	14.1%	85.9%	1981	
16		2224 Main Street		Santa Monica		Stanley & Susan Caplan	Stephen Freyer	8,200	1	3,570	4,805	0	4,805	8,405	42.1%	57.9%	December 1988	
17		3110 Main Street		Santa Monica		3110 Main Assoc	Raymond Hansen Assoc.		4	3,000	8,400	0	4,905	7,885	38.2%	61.8%	1987	
18		1415 8th Street		Santa Monica		Robert Coleman	Walter Wynn & Partners	7,500	3	1,540	8,400	0	8,400	7,940	18.4%	81.6%	November 1988	
19		1540 7th Street		Santa Monica			Urmston Stahl Assoc	7,500	3	8,258	8,944	0	8,944	12,200	51.2%	48.7%	March 1988	
20		1543 7th Street		Santa Monica					4			0	8,872				August 1981	
21		730 Arizona		Santa Monica					3	5,510	4,372	0					October 1984	
22		1511 18th Street		Santa Monica					44	8,308								33 affordable units
23		1423 2nd Street		Santa Monica														
24	Briggs del Sol	1231 Caliente		Torrance	Oceanview City of Torrance Real Agency		Banks, Edinger & Storch	30,000	154		0	28,000	28,000					
25		8704 Santa Monica Blvd and 888 N Westbourne Dr		West Hollywood		Rolf Benschneider	Parr, Collet Architects, Inc			8,467	1,454	8,000	10,764					
26		1114 N Orange Grove Ave		West Hollywood		Terry Bouillon	Harriet Gabbay		20		1,800	0	1,800					

APPENDIX B

FEASIBILITY MODEL DATA SHEETS FOR THE WESTSIDE CITIES MIXED-USE PROTOTYPE PROJECTS

Enter Variables in the Shaded Region

0 for Beverly Hills
1 for Culver City
2 for Santa Monica
3 for West Hollywood

Lot Description and Zoning Requirements

Lot Dimensions: Width 103.9 feet Depth 158 feet Incursions (if any): Width 0 feet Depth 0 feet Height Limit: 45 feet Number of Stories: 3
1.78 to 1.0 FAR Lot Size: 16,416 sq. ft.

IRR for Current Scenario: 4.06%	Gross Building Area For This Site: 29,157
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Commercial Space Mix:

Type of Space	Rentable S.F.	Mix	Rent/ S.F.	Parking/ 1000 S.F.	Current Designed Gross Building Area (Housing + Commercial): 29,159 sq. ft. IRR for Current Scenario: 4.06%
Retail	6,524	100%	\$2.35	4.1	
Office	0	0%	\$0.00	0.0	
Total/Weighted Average	6,524	100%	\$2.35	4.1	
Commercial Net Usable/Gross Ratio:			85%		
Commercial Net Rentable/Gross Ratio:			98%		
Commercial Gross Square Feet			6,659		

Housing Space Mix:

Number of Units (target): 16 Actual Number of Units: 16
Percent Affordable Units (target): 0% Actual Percent Affordable: 0.00%

Current Designed Gross Building Area (Housing + Commercial): 29,159 sq. ft.	IRR For Current Scenario: 4.06%
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Type of Unit	Units	Mix of Total	Mix of Total	Mix of Type	S.F.	Initial Rent/ S.F.	Initial Rent/ Unit	Parking/ Unit
Market Rate Units:								
Must add up to		100%	Actual after rounding					
Studio	0	0%	0.00%	0.00%	800	\$0.00	\$0	2.25
1-bedroom	8	50%	50.00%	50.00%	1,000	\$1.15	\$1,150	2.25
2-bedroom	8	50%	50.00%	50.00%	1,200	\$1.17	\$1,400	2.25
Total/Weighted Average	16	100%	100.00%	100%	1100	\$1.16	\$1,275	2.25
Low Income Units								
Must add up to		0%						
Studio	0	0%	0.00%	0.00%	800	\$0.00	\$0	2.25
1-bedroom	0	0%	0.00%	0.00%	1000	\$0.00	\$0	2.25
2-bedroom	0	0%	0.00%	0.00%	1,200	\$0.00	\$0	2.25
Very Low Income Units:								
1-bedroom	0	0%	0.00%	0.00%	800	\$1.00	\$800	2.0
2-bedroom	0	0%	0.00%	0.00%	850	\$1.07	\$912	2.0
3-bedroom	0	0%	0.00%	0.00%	1100	\$0.73	\$800	2.0
Total/Weighted Average	0	0%	0.00%	0%	0	\$0.00	\$0	0.0
Overall Total/ Weighted Average	16	100%	100%		1,100	\$1.16	\$1,275	2.3
Housing Net Rentable/Gross Ratio			78.22%					
Housing Gross S.F.			22,500					
Housing Net Rentable S.F.			17,600					

Current Designed Gross Building Area (Housing + Commercial): 29,159 sq. ft.	IRR For Current Scenario: 4.06%
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Development Costs, Operating and Financial Assumptions:

Development Costs:

	Retail	Office	Housing	Other/Parking	
Land/Demolition Cost	na	na	na	\$110.00	per land s.f.
Base Construction Cost	\$70.00	\$70.00	\$70.00	\$22.23	per gross s.f.
Tenant Improvements	\$0.00	\$25.00	na	na	per rentable s.f.
Landscape/Amenities	na	na	na	\$7.50	per open space s.f.
Development Fees	\$1.00	\$1.00	\$1.50	\$0.40	per rentable s.f. *

* Enter 1 if you wish to calculate the development fees using FeeCalc.

OR Enter 0 if you wish to enter development fees above (in yellow shading):

Please enter fees in FeeCalc on the next page

Note: Remember to re-enter changes in FeeCalc

if new entries are made in the Variable Page!

Parking:

	Square Feet	Cost per Sq. Ft.	Total Cost
1 Levels Below Grade	16,446	\$30	\$493,380
1/2 Level Below Grade	0	\$20	\$0
At Grade	7,418	\$5	\$37,090
2 and 3 Levels Below Grade	0	\$35	\$0
Total/Weighted Average	23,864	\$22	\$530,470

Target Gross S.F. Per Parking Space:

356

Average Monthly revenue Per Space:

\$70

commercial spaces only

Guest Spaces

4

Debt Coverage, Commercial

1.25
1.25
8.50%
25

IRR For Current

Scenario: 4.06%

	Retail	Office	Housing	Parking	
Lease-up Period	1	1	1	1	years
Stabilized Occupancy	90.0%	90.0%	90.0%	90.0%	
Misc. Revenue Factor	0.0%	0.0%	0.0%	0.0%	
Annual Rent Increase	3.0%	3.0%	3.0%	3.0%	
Expense/Revenue Ratio	4.3%	0.0%	17.0%	15.0%	(including property taxes)
Property Taxes	1.0%	1.0%	1.0%	1.0%	(increases 2% annually)
Lease Commissions	5.00%	5.00%	NA	NA	

Financial Assumptions:

Capitalization Rate

Commercial Space/Parking

10.0%

Market Rate Housing

10.0%

Affordable Housing

10.0%

Selling Expenses

3.0%

Present Value Discount Rate

15.0%

Cost of Equity

0.0%

Soft Costs (as % of hard costs):

A & E/Site Analysis

2.0%

Insurance/Bonds

1.0%

Legal/Accounting

1.0%

Building Permits

1.0%

Taxes

0.5%

Marketing

0.5%

Miscellaneous

0.5%

Developer's Fee/Overhead

6.0%

Total

12.50%

Current Designed Gross Building

Area (Housing + Commercial):

29,159 sq. ft.

IRR for Current Scenario:

4.06%

Print Whole Report

Print Variable Page Only

Matrix 1 -- Alternatives Matrix

count 1 =	0	1	2	3
	Beverly	Culver	Santa	West Holly
Width	103.9	100	100	239.1
Depth	158	107.7	150	199.2
# Housing Units	16	9	19	21
Housing Ratio	0.7822	0.8817	0.8087	0.8828
Retail Rentable	6524	3875	9940	22000
Office Rentable	0	0	20143	59911
Commercial Ratio	0.9797	0.9598	0.8407	0.9768
Stories	3	3	6	4
Height	45	46	84	60
FAR	1.776	1.720	3.0	2.2
Housing FAR	1.371	0.570	0.4	0.2
Commercial FAR	0.406	1.150	2.7	2.0
Spaces/DU	2.25	2.333	2	2.8
Spaces/1K Office	0	0	1.5	3.2
Spaces/1K Retail	4.1	3.8	0	3.2
At Grade	7418	3570	0	0
1/2 Below Grade	0	0	0	0
1 Level Below Grade	16446	9192	15000	30600
2 & 3 Levels Below	0	6176	15000	72800
SF/Space	356	510	349	375
Guest Spaces	4	0	4.4	5.25
2-bedroomsf	1200	1200	1200	1200
1-bedroomsf	1000	1000	1000	1000
2Br - Sr		800		
Senior	0%	33%	0%	0%
1-bedroom %	50%	33%	11%	52%
2-bedroom %	50%	33%	58%	29%
LI 2-bedroomsf			1200	
LI 1-bedroomsf			1000	
LI studiosf				
LI studio %	0%	0%	0%	0%
LI 1-bedroom %	0%	0%	16%	10%
LI 2-bedroom %	0%	0%	16%	10%

Enter Variables in the Shaded Region

0 for Beverly Hills
1 for Culver City
2 for Santa Monica
3 for West Hollywood

Lot Description and Zoning Requirements

Lot Dimensions: Width 100 feet Depth 107.7 feet Incursions (if any): Width 0 feet Depth 0 feet Height Limit: 46 feet Number of Stories: 3
1.72 to 1.0 FAR Lot Size: 10,770 sq. ft.

IRR for Current Scenario: -6.64%	Gross Building Area For This Site: 18,524
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Commercial Space Mix:

Type of Space	Rentable S.F.	Mix	Rent/ S.F.	Parking/ 1000 S.F.	Current Designed Gross Building Area (Housing + Commercial): 14,245 sq. ft. IRR for Current Scenario: -6.64%
Retail	3,875	100%	\$1.40	3.8	
Office	0	0%	\$0.00	0.0	
Total/Weighted Average	3,875	100%	\$1.40	3.8	
Commercial Net Usable/Gross Ratio: 85%					
Commercial Net Rentable/Gross Ratio: 96%					
Commercial Gross Square Feet 4,037					

Housing Space Mix:

Number of Units (target): 9 Actual Number of Units: 9
Percent Affordable Units (target): 0% Actual Percent Affordable: 0.00%

Current Designed Gross Building Area (Housing + Commercial): 14,245 sq. ft.	IRR For Current Scenario: -6.64%
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Type of Unit	Units	Mix of Total	Mix of Total	Mix of Type	S.F.	Initial Rent/ S.F.	Initial Rent/ Unit	Parking/ Unit
Market Rate Units:								
Must add up to 100%		Actual after rounding						
Studio	3	33%	33.33%	33.33%	800	\$0.00	\$0	2.33
1-bedroom	3	33%	33.33%	33.33%	1,000	\$0.70	\$700	2.33
2-bedroom	3	33%	33.33%	33.33%	1,200	\$0.83	\$1,000	2.33
Total/Weighted Average	9	100%	100.00%	100%	1000	\$0.51	\$567	2.33
Low Income Units								
Must add up to 0%								
Studio	0	0%	0.00%	0.00%	800	\$0.83	\$667	2.33
1-bedroom	0	0%	0.00%	0.00%	1000	\$0.00	\$0	2.33
2-bedroom	0	0%	0.00%	0.00%	1,200	\$0.00	\$0	2.33
Very Low Income Units:								
1-bedroom	0	0%	0.00%	0.00%	800	\$1.00	\$600	2.0
2-bedroom	0	0%	0.00%	0.00%	850	\$1.07	\$912	2.0
3-bedroom	0	0%	0.00%	0.00%	1100	\$0.73	\$800	2.0
Total/Weighted Average	0	0%	0.00%	0%	0	\$0.00	\$0	0.0
Overall Total/ Weighted Average	9	100%	100%		1,000	\$0.51	\$567	2.3
Housing Net Rentable/Gross Ratio 88.17%								
Housing Gross S.F. 10,208								
Housing Net Rentable S.F. 9,000								

Current Designed Gross Building Area (Housing + Commercial): 14,245 sq. ft.	IRR For Current Scenario: -6.64%
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Development Costs, Operating and Financial Assumptions:

Development Costs:

	Retail	Office	Housing	Other/Parking	
Land/Demolition Cost	na	na	na	\$51.66	per land s.f.
Base Construction Cost	\$70.00	\$70.00	\$70.00	\$26.92	per gross s.f.
Tenant Improvements	\$0.00	\$25.00	na	na	per rentable s.f.
Landscape/Amenities	na	na	na	\$7.50	per open space s.f.
Development Fees	\$1.00	\$1.00	\$1.50	\$0.40	per rentable s.f. *

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OR Enter 0 if you wish to enter development fees above (in yellow shading): 1

Please enter fees in FeeCalc on the next page

Note: Remember to re-enter changes in FeeCalc if new entries are made in the Variable Page!

Parking:

	Square Feet	Cost per Sq. Ft.	Total Cost
1 Levels Below Grade	9,192	\$30	\$275,760
1/2 Level Below Grade	0	\$20	\$0
At Grade	3,570	\$5	\$17,850
2 and 3 Levels Below Grade	6,178	\$35	\$216,160
Total/Weighted Average	18,938	\$27	\$509,770

Target Gross S.F. Per Parking Space:	510	
Average Monthly revenue Per Space:	\$50	commercial spaces only
Guest Spaces	0	

Financing:

Debt Coverage, Commercial	1.25
Debt Coverage, Residential	1.25
Loan Interest Rate	8.50%
Permanent Loan Amortization	25 years

IRR For Current Scenario: -6.64%

Operating Assumptions (as % of revenue, excluding taxes):

	Retail	Office	Housing	Parking	
Lease-up Period	1	1	1	1	years
Stabilized Occupancy	90.0%	90.0%	90.0%	90.0%	
Misc. Revenue Factor	0.0%	0.0%	0.0%	0.0%	
Annual Rent Increase	3.0%	3.0%	3.0%	3.0%	
Expense/Revenue Ratio	7.1%	0.0%	38.2%	15.0%	(including property taxes)
Property Taxes	1.0%	1.0%	1.0%	1.0%	(increases 2% annually)
Lease Commissions	5.00%	5.00%	NA	NA	

Financial Assumptions:

Capitalization Rate	
Commercial Space/Parking	10.0%
Market Rate Housing	10.0%
Affordable Housing	10.0%
Selling Expenses	3.0%
Present Value Discount Rate	15.0%
Cost of Equity	0.0%

Current Designed Gross Building Area (Housing + Commercial): 14,245 sq. ft.

IRR for Current Scenario: -6.64%

Soft Costs (as % of hard costs):

A & E/Site Analysis	2.0%
Insurance/Bonds	1.0%
Legal/Accounting	1.0%
Building Permits	1.0%
Taxes	0.5%
Marketing	0.5%
Miscellaneous	0.5%
Developer's Fee/Overhead	6.0%
Total	12.50%

Print Whole Report

Print Variable Page Only

Matrix 1 -- Alternatives Matrix

count 1 =	0	1	2	3
	Beverly	Culver	Santa	West Holly
Width	103.9	100	100	239.1
Depth	158	107.7	150	199.2
# Housing Units	16	9	19	21
Housing Ratio	0.7822	0.8817	0.8087	0.8828
Retail Rentable	6524	3875	9940	22000
Office Rentable	0	0	20143	59911
Commercial Ratio	0.9797	0.9598	0.8407	0.9768
Stories	3	3	6	4
Height	45	46	84	60
FAR	1.776	1.720	3.0	2.2
Housing FAR	1.371	0.570	0.4	0.2
Commercial FAR	0.406	1.150	2.7	2.0
Spaces/DU	2.25	2.333	2	2.8
Spaces/1K Office	0	0	1.5	3.2
Spaces/1K Retail	4.1	3.8	0	3.2
At Grade	7418	3570	0	0
1/2 Below Grade	0	0	0	0
1 Level Below Grade	16446	9192	15000	30600
2 & 3 Levels Below	0	6176	15000	72800
SF/Space	356	510	349	375
Guest Spaces	4	0	4.4	5.25
2-bedroomsf	1200	1200	1200	1200
1-bedroomsf	1000	1000	1000	1000
2Br - Sr		800		
Senior	0%	33%	0%	0%
1-bedroom %	50%	33%	11%	52%
2-bedroom %	50%	33%	58%	29%
LI 2-bedroomsf			1200	
LI 1-bedroomsf			1000	
LI studiosf				
LI studio %	0%	0%	0%	0%
LI 1-bedroom %	0%	0%	16%	10%
LI 2-bedroom %	0%	0%	16%	10%

Matrix 1 -- Alternatives Matrix

	count 1 =	0	1	2	3
		Beverly	Culver	Santa	West Holly
Width		103.9	100	100	239.1
Depth		158	107.7	150	199.2
# Housing Units		16	9	19	21
Housing Ratio		0.7822	0.8817	0.8087	0.8828
Retail Rentable		6524	3875	9940	22000
Office Rentable		0	0	20143	59911
Commercial Ratio		0.9797	0.9598	0.8407	0.9768
Stories		3	3	6	4
Height		45	46	84	60
FAR		1.776	1.720	3.0	2.2
Housing FAR		1.371	0.570	0.4	0.2
Commercial FAR		0.406	1.150	2.7	2.0
Spaces/DU		2.25	2.333	2	2.8
Spaces/1K Office		0	0	1.5	3.2
Spaces/1K Retail		4.1	3.8	0	3.2
At Grade		7418	3570	0	0
1/2 Below Grade		0	0	0	0
1 Level Below Grade		16446	9192	15000	30600
2 & 3 Levels Below		0	6176	15000	72800
SF/Space		356	510	349	375
Guest Spaces		4	0	4.4	5.25
2-bedroomsf		1200	1200	1200	1200
1-bedroomsf		1000	1000	1000	1000
2Br - Sr			800		
Senior		0%	33%	0%	0%
1-bedroom %		50%	33%	11%	52%
2-bedroom %		50%	33%	58%	29%
LI 2-bedroomsf				1200	
LI 1-bedroomsf				1000	
LI studiosf					
LI studio %		0%	0%	0%	0%
LI 1-bedroom %		0%	0%	16%	10%
LI 2-bedroom %		0%	0%	16%	10%

Enter Variables in the Shaded Region

0 for Beverly Hills
1 for Culver City 3
2 for Santa Monica
3 for West Hollywood

Lot Description and Zoning Requirements

Lot Dimensions: Width 239.1 feet Depth 199.2 feet Incursions (if any) Width 0 feet Depth 0 feet Height Limit: 60 feet Number of Stories: 4
2.20 to 1.0 FAR Lot Size: 47,629 sq. ft.
6.19% For This Site: 104,783

Commercial Space Mix:

Type of Space	Rentable S.F.	Mix	Rent/ S.F.	Parking/ 1000 S.F.	Current Designed Gross Building Area (Housing + Commercial):
Retail	22,000	27%	\$2.25	3.2	108,098 sq. ft.
Office	59,911	73%	\$1.65	3.2	IRR for Current Scenario: 6.19%
Total/Weighted Average	81,911	100%	\$1.81	3.2	
Commercial Net Usable/Gross Ratio: 85%					
Commercial Net Rentable/Gross Ratio: 98%					
Commercial Gross Square Feet: 83,857					

Housing Space Mix:

Number of Units (target): 21 Actual Number of Units: 21
Percent Affordable Units (target): 0% Actual Percent Affordable: 0.00%

Current Designed Gross Building Area (Housing + Commercial): 108,098 sq. ft.	IRR For Current Scenario: 6.19%
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Type of Unit	Units	Mix of Total	Mix of Total	Mix of Type	S.F.	Initial Rent/ S.F.	Initial Rent/ Unit	Parking/ Unit
Market Rate Units:								
	Must add up to	100%	Actual after rounding					
Studio	4	19%	19.05%	19.05%	800	\$0.00	\$0	2.80
1-bedroom	11	52%	52.38%	52.38%	1,000	\$0.95	\$950	2.80
2-bedroom	6	29%	28.57%	28.57%	1,200	\$1.04	\$1,250	2.80
Total/Weighted Average	21	100%	100.00%	100%	1019	\$0.80	\$855	2.80
Low Income Units								
	Must add up to	0%						
Studio	0	0%	0.00%	0.00%	800	\$0.00	\$0	2.80
1-bedroom	0	10%	0.00%	0.00%	1000	\$0.48	\$477	2.80
2-bedroom	0	10%	0.00%	0.00%	1,200	\$0.55	\$665	2.80
Very Low Income Units:								
1-bedroom	0	0%	0.00%	0.00%	600	\$1.00	\$600	2.0
2-bedroom	0	0%	0.00%	0.00%	850	\$1.07	\$912	2.0
3-bedroom	0	0%	0.00%	0.00%	1,100	\$0.73	\$800	2.0
Total/Weighted Average	0	0%	0.00%	0%	0	\$0.00	\$0	0.0
Overall Total/ Weighted Average	21	100%	100%		1,019	\$0.80	\$855	2.8
Housing Net Rentable/Gross Ratio: 88.28%								
Housing Gross S.F.: 24,241								
Housing Net Rentable S.F.: 21,400								

Current Designed Gross Building Area (Housing + Commercial): 108,098 sq. ft.	IRR For Current Scenario: 6.19%
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Development Costs, Operating and Financial Assumptions:

Development Costs:

	Retail	Office	Housing	Other/Parking	
Land/Demolition Cost	na	na	na	\$75.00	per land s.f.
Base Construction Cost	\$70.00	\$70.00	\$70.00	\$33.52	per gross s.f.
Tenant Improvements	\$0.00	\$25.00	na	na	per rentable s.f.
Landscape/Amenities	na	na	na	\$7.50	per open space s.f.
Development Fees	\$1.00	\$1.00	\$1.50	\$0.40	per rentable s.f. *

* Enter 1 if you wish to calculate the development fees using FeeCalc.

OR Enter 0 if you wish to enter development fees above (in yellow shading):

Please enter fees in FeeCalc on the next page

Note: Remember to re-enter changes in FeeCalc if new entries are made in the Variable Page!

Parking:

	Square Feet	Cost per Sq. Ft.	Total Cost
1 Levels Below Grade	30,600	\$30	\$918,000
1/2 Level Below Grade	0	\$20	\$0
At Grade	0	\$5	\$0
2 and 3 Levels Below Grade	72,800	\$35	\$2,548,000
Total/Weighted Average	103,400	\$34	\$3,466,000

Target Gross S.F. Per Parking Space:	375
Average Monthly revenue Per Space:	\$60 commercial spaces only
Guest Spaces	6.25

Financing:

Debt Coverage, Commercial	1.25
Debt Coverage, Residential	1.25
Loan Interest Rate	8.50%
Permanent Loan Amortization	25 years

IRR For Current Scenario: 6.19%

Operating Assumptions (as % of revenue, excluding taxes):

	Retail	Office	Housing	Parking	
Lease-up Period	1	1	1	1	years
Stabilized Occupancy	90.0%	90.0%	90.0%	90.0%	
Misc. Revenue Factor	0.0%	0.0%	0.0%	0.0%	
Annual Rent Increase	3.0%	3.0%	3.0%	3.0%	
Expense/Revenue Ratio	4.4%	35.4%	25.3%	15.0%	(including property taxes)
Property Taxes	1.0%	1.0%	1.0%	1.0%	(increases 2% annually)
Lease Commissions	5.00%	5.00%	NA	NA	

Financial Assumptions:

Capitalization Rate	
Commercial Space/Parking	10.0%
Market Rate Housing	10.0%
Affordable Housing	10.0%
Selling Expenses	3.0%
Present Value Discount Rate	15.0%
Cost of Equity	9.0%

Soft Costs (as % of hard costs):

A & E/Site Analysis	2.0%
Insurance/Bonds	1.0%
Legal/Accounting	1.0%
Building Permits	1.0%
Taxes	0.5%
Marketing	0.5%
Miscellaneous	0.5%
Developer's Fee/Overhead	6.0%
Total	12.50%

Current Designed Gross Building Area (Housing + Commercial): 108,098 sq. ft.

IRR for Current Scenario: 6.19%

Print Whole Report

Print Variable Page Only

Enter Variables in the Shaded Region

0 for Beverly Hills
1 for Culver City
2 for Santa Monica
3 for West Hollywood

Lot Description and Zoning Requirements

Lot Dimensions: Width 100 feet Depth 150 feet Incursions (if any) Width 0 feet Depth 0 feet Height Limit: 84 feet Number of Stories: 6
3.00 to 1.0 FAR Lot Size: 15,000 sq. ft

IRR for Current Scenario: 8.91%	Gross Building Area For This Site: 45,000
------------------------------------	--

Commercial Space Mix:

Type of Space	Rentable S.F.	Mix	Rent/ S.F.	Parking/ 1000 S.F.	Current Designed Gross Building Area (Housing + Commercial): 62,740 sq. ft.
Retail	9,940	33%	\$1.75	0.0	IRR for Current Scenario: 8.91%
Office	20,143	67%	\$2.15	1.5	
Total/Weighted	30,083	100%	\$2.02	1.0	

85%
84%

19
32%

Current Designed Gross Building Area (Housing + Commercial): 62,740 sq. ft.	IRR For Current Scenario: 8.91%
---	------------------------------------

Type of Unit	Units	Mix of Total	Mix of Total	Mix of Type	S.F.	Initial Rent/ S.F.	Initial Rent/ Unit	Parking/ Unit
Market Rate Units:								
	Must add up to	68%	Actual after rounding					
Studio	0	RETRY	0.00%	0.00%	800	\$0.00	\$0	2.00
1-bedroom	2	11%	10.53%	15.38%	1,000	\$0.95	\$950	2.00
2-bedroom	11	58%	57.89%	84.62%	1,200	\$1.08	\$1,300	2.00
Total/Weighted Average	13	68%	68.42%	100%	1,169	\$1.06	\$1,246	2.00
Low Income Units								
	Must add up to	32%						
Studio	0	RETRY	0.00%	0.00%	1,200	\$0.00	\$0	2.00
1-bedroom	3	16%	15.79%	50.00%	1,000	\$0.85	\$850	2.00
2-bedroom	3	16%	15.79%	50.00%	1,200	\$0.98	\$1,175	2.00
Very Low Income Units:								
1-bedroom	0	0%	0.00%	0.00%	600	\$1.00	\$600	2.0
2-bedroom	0	0%	0.00%	0.00%	850	\$1.07	\$912	2.0
3-bedroom	0	0%	0.00%	0.00%	1,100	\$0.73	\$800	2.0
Total/Weighted Average	6	32%	31.58%	100%	1,100	\$0.91	\$1,013	2.0
Overall Total/ Weighted Average	19	100%	100%		1,147	\$1.02	\$1,172	2.0

Housing Net Rentable/Gross Ratio 80.87%
Housing Gross S.F. 26,958
Housing Net Rentable S.F. 21,800

Current Designed Gross Building Area (Housing + Commercial): 62,740 sq. ft.	IRR For Current Scenario: 8.91%
---	------------------------------------

Development Costs, Operating and Financial Assumptions:

Development Costs:

	Retail	Office	Housing	Other/Parking	
Land/Demolition Cost	na	na	na	\$86.66	per land s.f.
Base Construction Cost	\$70.00	\$70.00	\$70.00	\$32.50	per gross s.f.
Tenant Improvements	\$0.00	\$25.00	na	na	per rentable s.f.
Landscape/Amenities	na	na	na	\$7.50	per open space s.f.
Development Fees	\$1.00	\$1.00	\$1.50	\$0.40	per rentable s.f. *

* Enter 1 if you wish to calculate the development fees using FeeCalc.

OR Enter 0 if you wish to enter development fees above (in yellow shading):

Please enter fees in FeeCalc on the next page

Note: Remember to re-enter changes in FeeCalc if new entries are made in the Variable Page!

Parking:

	Square Feet	Cost per Sq. Ft.	Total Cost
1 Levels Below Grade	15,000	\$30	\$450,000
1/2 Level Below Grade	0	\$20	\$0
At Grade	0	\$5	\$0
2 and 3 Levels Below Grade	15,000	\$35	\$525,000
Total/Weighted Average	30,000	\$33	\$975,000

Target Gross S.F. Per Parking Space:	349	
Average Monthly revenue Per Space:	\$60	commercial spaces only
Guest Spaces	4.4	

Debt Coverage, Commercial

1.25
1.25
8.50%
25 years

IRR For Current Scenario:	8.91%
---------------------------	-------

Operating Assumptions (as % of revenue, excluding taxes):

	Retail	Office	Housing	Parking	
	1	1	1	1	years
Lease-up Period	90.0%	90.0%	90.0%	90.0%	
Stabilized Occupancy	0.0%	0.0%	0.0%	0.0%	
Misc. Revenue Factor	3.0%	3.0%	3.0%	3.0%	
Annual Rent Increase	5.7%	27.1%	18.5%	15.0%	(including property taxes)
Expense/Revenue Ratio	1.0%	1.0%	1.0%	1.0%	(increases 2% annually)
Property Taxes	5.00%	5.00%	NA	NA	
Lease Commissions					

Financial Assumptions:

Capitalization Rate	10.0%
Commercial Space/Parking	10.0%
Market Rate Housing	10.0%
Affordable Housing	3.0%
Selling Expenses	15.0%
Present Value Discount Rate	0.0%
Cost of Equity	

Soft Costs (as % of hard costs):

A & E/Site Analysis	2.0%
Insurance/Bonds	1.0%
Legal/Accounting	1.0%
Building Permits	1.0%
Taxes	0.5%
Marketing	0.5%
Miscellaneous	0.5%
Developer's Fee/Overhead	6.0%
Total	12.50%

Current Designed Gross Building Area (Housing + Commercial): 62,740 sq. ft.

IRR for Current Scenario: 8.91%

Print Whole Report

Print Variable Page Only

Matrix 1 -- Alternatives Matrix

	count 1 = 0	1	2	3
	Beverly	Culver	Santa	West Holly
Width	103.9	100	100	239.1
Depth	158	107.7	150	199.2
# Housing Units	16	9	19	21
Housing Ratio	0.7822	0.8817	0.8087	0.8828
Retail Rentable	6524	3875	9940	22000
Office Rentable	0	0	20143	59911
Commercial Ratio	0.9797	0.9598	0.8407	0.9768
Stories	3	3	6	4
Height	45	46	84	60
FAR	1.776	1.720	3.0	2.2
Housing FAR	1.371	0.570	0.4	0.2
Commercial FAR	0.406	1.150	2.7	2.0
Spaces/DU	2.25	2.333	2	2.8
Spaces/1K Office	0	0	1.5	3.2
Spaces/1K Retail	4.1	3.8	0	3.2
At Grade	7418	3570	0	0
1/2 Below Grade	0	0	0	0
1 Level Below Grade	16446	9192	15000	30600
2 & 3 Levels Below	0	6176	15000	72800
SF/Space	356	510	349	375
Guest Spaces	4	0	4.4	5.25
2-bedroomsf	1200	1200	1200	1200
1-bedroomsf	1000	1000	1000	1000
2Br - Sr		800		
Senior	0%	33%	0%	0%
1-bedroom %	50%	33%	11%	52%
2-bedroom %	50%	33%	58%	29%
LI 2-bedroomsf			1200	
LI 1-bedroomsf			1000	
LI studiosf				
LI studio %	0%	0%	0%	0%
LI 1-bedroom %	0%	0%	16%	10%
LI 2-bedroom %	0%	0%	16%	10%

APPENDIX C

10-YEAR CASH FLOW STATEMENTS FOR THE WESTSIDE CITIES MIXED-USE PROTOTYPE PROJECTS

DEVELOPMENT COSTS AND OPERATING PROJECTIONS
IN \$ 000's

BEVERLY HILLS

	Month 0	Month 1 Pre-Dev	Month 2 Pre-Dev	Month 3 Pre-Dev	Month 4 Pre-Dev	Month 5 Pre-Dev	Month 6 Pre-Dev	Month 7 Pre-Dev	Month 8 Pre-Dev	Month 9 Pre-Dev	Year of Construc.	Year 1 Lease-up	Year 2 Oper.	Year 3 Oper.	Year 4 Oper.	Year 5 Oper.	Year 6 Oper.	Year 7 Oper.	Year 8 Oper.	Year 9 Oper.	Year 10 Oper.
Development Activity:																					
Equity Investment	(18.06)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,787.72)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Installment Dev. Fees + Soft C	0.00	(37.98)	(37.98)	(37.98)	(37.98)	(37.98)	(37.98)	(37.98)	(37.98)	(181.41)	(7.87)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,722.42
Loan Repayment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,428.82)
Ongoing Operations:																					
Retail Space:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83.94	172.98	178.24	183.66	189.25	195.01	200.94	207.05	213.35	237.86
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3.56)	(7.30)	(7.48)	(7.66)	(7.84)	(8.04)	(8.23)	(8.43)	(8.64)	(9.58)
Office Space:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Commercial Parking:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.35	21.32	21.97	22.64	23.33	24.04	24.77	25.52	26.30	29.32
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1.55)	(3.15)	(3.22)	(3.28)	(3.35)	(3.41)	(3.48)	(3.55)	(3.63)	(4.00)
Market Housing:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	111.69	230.17	237.17	244.38	251.82	259.48	267.37	275.50	283.88	316.50
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(18.92)	(38.75)	(39.68)	(40.63)	(41.60)	(42.60)	(43.62)	(44.67)	(45.74)	(50.70)
Affordable Housing:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(277.92)	(277.92)	(277.92)	(277.92)	(277.92)	(277.92)	(277.92)	(277.92)	(277.92)	(301.08)
Lease Commissions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4.20)	(35.41)	0.00	0.00	0.00	(9.75)	(42.06)	0.00	0.00	0.00
Pretax Cash Flow	(18)	(38)	(38)	(38)	(38)	(38)	(38)	(38)	(38)	(1,969)	(7.87)	(100.17)	61.95	109.10	121.20	133.69	136.80	117.76	173.50	187.60	2,511.92

FINANCIAL RETURNS

IRR 4.06%

DEVELOPMENT COSTS AND OPERATING PROJECTIONS
IN \$ 000's

CULVER CITY

	Month 0	Month 1 Pre-Dev	Month 2 Pre-Dev	Month 3 Pre-Dev	Month 4 Pre-Dev	Month 5 Pre-Dev	Month 6 Pre-Dev	Month 7 Pre-Dev	Month 8 Pre-Dev	Month 9 Pre-Dev	Year of Construc.	Year 1 Lease-up	Year 2 Oper.	Year 3 Oper.	Year 4 Oper.	Year 5 Oper.	Year 6 Oper.	Year 7 Oper.	Year 8 Oper.	Year 9 Oper.	Year 10 Oper.
Development Activity:																					
Equity Investment	(5.56)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(550.81)	(852.33)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Installment Dev. Fees + Soft C	0.00	(22.49)	(22.49)	(22.49)	(22.49)	(22.49)	(22.49)	(22.49)	(22.49)	(102.34)	(4.66)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Repayment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ongoing Operations:																					
Retail Space:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29.70	61.21	63.07	64.99	66.97	69.00	71.10	73.26	75.49	84.17
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2.12)	(4.33)	(4.44)	(4.55)	(4.66)	(4.77)	(4.89)	(5.00)	(5.13)	(5.68)
Office Space:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Commercial Parking:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.11	8.46	8.72	8.98	9.26	9.54	9.83	10.13	10.44	11.64
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.61)	(1.25)	(1.28)	(1.30)	(1.33)	(1.36)	(1.38)	(1.41)	(1.44)	(1.59)
Market Housing:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.92	57.54	59.29	61.10	62.95	64.87	66.84	68.88	70.97	79.12
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(10.66)	(21.87)	(22.44)	(23.03)	(23.64)	(24.26)	(24.90)	(25.55)	(26.22)	(29.13)
Affordable Housing:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(76.25)	(76.25)	(76.25)	(76.25)	(76.25)	(76.25)	(76.25)	(76.25)	(76.25)	(82.60)
Lease Commissions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1.49)	(12.53)	0.00	0.00	0.00	(3.45)	(14.88)	0.00	0.00	0.00
Pretax Cash Flow	(6)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(22)	(653)	(856.99)	(29.39)	10.98	26.68	29.94	33.31	33.33	25.48	44.05	47.86	670.42

FINANCIAL RETURNS

IRR -6.64%

DEVELOPMENT COSTS AND OPERATING PROJECTIONS
IN \$ 000's

WEST HOLLYWOOD

	Month 0	Month 1 Pre-Dev	Month 2 Pre-Dev	Month 3 Pre-Dev	Month 4 Pre-Dev	Month 5 Pre-Dev	Month 6 Pre-Dev	Month 7 Pre-Dev	Month 8 Pre-Dev	Month 9 Pre-Dev	Year of Construc.	Year 1 Lease-up	Year 2 Oper.	Year 3 Oper.	Year 4 Oper.	Year 5 Oper.	Year 6 Oper.	Year 7 Oper.	Year 8 Oper.	Year 9 Oper.	Year 10 Oper.
Development Activity:																					
Equity Investment	(35.72)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3,536.43)	(1,366.49)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Installment Dev. Fees + Soft C	0.00	(183.78)	(183.78)	(183.78)	(183.78)	(183.78)	(183.78)	(183.78)	(183.78)	(738.61)	(38.06)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Repayment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,609.18
Ongoing Operations:																					(10,087.57)
Retail Space:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	271.01	558.50	575.49	592.99	611.03	629.61	648.76	668.49	688.83	767.97
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(12.01)	(24.61)	(25.21)	(25.82)	(26.45)	(27.10)	(27.76)	(28.44)	(29.13)	(32.30)
Office Space:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	541.21	1,115.34	1,149.26	1,184.22	1,220.24	1,257.35	1,295.60	1,335.00	1,375.61	1,533.66
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(191.18)	(393.30)	(404.56)	(416.15)	(428.07)	(440.35)	(452.98)	(465.98)	(479.36)	(533.60)
Commercial Parking:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	86.06	177.37	182.76	188.32	194.05	199.95	206.03	212.30	218.75	243.89
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(12.85)	(26.22)	(26.75)	(27.29)	(27.84)	(28.40)	(28.98)	(29.56)	(30.16)	(33.30)
Market Housing:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	98.27	202.53	208.69	215.03	221.57	228.31	235.26	242.41	249.79	278.49
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(24.87)	(51.04)	(52.39)	(53.77)	(55.19)	(56.65)	(58.15)	(59.69)	(61.27)	(68.07)
Affordable Housing:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debt Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,192.04)	(1,192.04)	(1,192.04)	(1,192.04)	(1,192.04)	(1,192.04)	(1,192.04)	(1,192.04)	(1,192.04)	(1,291.37)
Lease Commissions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(40.61)	(342.62)	0.00	0.00	0.00	(94.35)	(406.98)	0.00	0.00	0.00
Pretax Cash Flow	(36)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(184)	(4,275)	(1,404.54)	(477.00)	23.91	415.26	465.50	517.29	476.35	218.77	682.51	741.02	10,386.98

FINANCIAL RETURNS

IRR 6.19%

DEVELOPMENT COSTS AND OPERATING PROJECTIONS
IN \$ 000's

SANTA MONICA

	Month 0	Month 1 Pre-Dev	Month 2 Pre-Dev	Month 3 Pre-Dev	Month 4 Pre-Dev	Month 5 Pre-Dev	Month 6 Pre-Dev	Month 7 Pre-Dev	Month 8 Pre-Dev	Month 9 Pre-Dev	Year of Construc.	Year 1 Lease-up	Year 2 Oper.	Year 3 Oper.	Year 4 Oper.	Year 5 Oper.	Year 6 Oper.	Year 7 Oper.	Year 8 Oper.	Year 9 Oper.	Year 10 Oper.
Development Activity:																					
Equity Investment	(13.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,286.90)	(576.96)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Installment Dev. Fees + Soft C	0.00	(85.54)	(85.54)	(85.54)	(85.54)	(85.54)	(85.54)	(85.54)	(85.54)	(375.76)	(17.71)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale Proceeds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Repayment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,606.28
Ongoing Operations:																					(4,740.68)
Retail Space:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95.24	196.26	202.23	208.38	214.72	221.25	227.98	234.92	242.06	269.88
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(5.42)	(11.10)	(11.36)	(11.63)	(11.90)	(12.18)	(12.46)	(12.76)	(13.06)	(14.46)
Office Space:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	237.10	488.63	503.49	518.81	534.59	550.85	567.60	584.86	602.65	671.90
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(64.27)	(132.21)	(135.98)	(139.86)	(143.85)	(147.96)	(152.19)	(156.54)	(161.01)	(179.21)
Commercial Parking:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.85	20.31	20.93	21.56	22.22	22.89	23.59	24.31	25.05	27.93
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1.47)	(3.00)	(3.06)	(3.12)	(3.19)	(3.25)	(3.32)	(3.38)	(3.45)	(3.81)
Market Housing:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.69	182.78	188.34	194.07	199.97	206.05	212.32	218.78	225.43	251.34
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(16.36)	(33.55)	(34.41)	(35.30)	(36.21)	(37.14)	(38.10)	(39.08)	(40.09)	(44.51)
Affordable Housing:																					
Rental Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.26	68.54	70.63	72.78	74.99	77.27	79.62	82.04	84.54	94.25
Operating Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(6.13)	(12.58)	(12.91)	(13.24)	(13.58)	(13.93)	(14.29)	(14.66)	(15.03)	(16.69)
Debt Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(560.20)	(560.20)	(560.20)	(560.20)	(560.20)	(560.20)	(560.20)	(560.20)	(560.20)	(606.88)
Lease Commissions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(16.62)	(140.19)	0.00	0.00	0.00	(38.60)	(166.52)	0.00	0.00	0.00
Pretax Cash Flow	(13)	(86)	(86)	(86)	(86)	(86)	(86)	(86)	(86)	(1,663)	(594.68)	(206.33)	63.69	227.70	252.25	277.57	265.06	164.04	358.30	386.89	5,315.34

FINANCIAL RETURNS

IRR 8.91%

APPENDIX D

1997 UPDATES OF THE MIXED-USE PROJECT CASE STUDIES

HR & A

HAMILTON, RABINOVITZ & ALSCHULER, INC.
Policy, Financial & Management Consultants

MEMORANDUM FOR:

Suzanne Frick
Ruth Nadel
Ray Reynolds
Mark Winogrand

MEMORANDUM FROM:

 Paul J. Silvern

SUBJECT:

Updates on Mixed-Use Development Case Studies

DATE:

August 28, 1997

Here is an update on the situation of the five existing mixed-use projects that we profiled in our 1996 report. The updates are based on interviews with the original developer, subsequent owner and/or leasing agents for each project, with the exception of Janss Court, for reasons described below.

There are several very interesting comments here, particularly the first three cases.

Venice Renaissance

Originally developed by Harlan Lee and Associates
Venice, California

The Venice Renaissance project consists of 132,400 gross square feet on a 1.6 acre site fronting Main Street in the Venice community of the City of Los Angeles, about two blocks from the Pacific Ocean. This project includes three levels of housing (66 market-rate condominiums and 23 rent-restricted apartments for seniors, with a wide range of unit types) above 30,000 square feet of ground floor commercial space (10,000 square feet of restaurants and 20,000 square feet of general retail).

We spoke with Duncan Lemmon, real estate agent with Lee and Associates, regarding the retail space. He indicated that there are approximately 10,000 square feet of available retail space out of a total of 30,000 square feet in the project. All of the 10,000 square feet is space that had been previously leased. The asking rent is \$3.00 triple net and there is a proposal out for signature on 9,000 square feet of the 10,000. The space is expected to rent for approximately \$2.75 per square foot.

According to Mr. Lemmon, vacancies have occurred in the project over the past several years due to the growing success of Santa Monica's Third Street Promenade and its effect on all Main Street businesses. Retail sales slowed considerably on Main Street as major credit tenants shifted to the Promenade. The near zero vacancy level on the Promenade is expected to lead to a resurgence of retail leasing on Main Street, as evidenced by the recent re-leasing of the 9,000 square foot store near the Venice-Santa Monica border, which was formerly occupied by Reebok, and has been vacant for the last two years.

A second factor that led to retail vacancies in the building over the last year was the a new owner's decision to keep vacated spaces empty in order to address problems with the building associated with the separation of residential and retail uses. The real estate agent could not be specific about the nature of those problems, but indicated that leasing activity was suspended for nearly a year while the rehabilitation occurred. (HR&A will continue to investigate this issue) Offers were received on the vacant space during that time, but could not be accepted. The building has consistently generated interest from the market place over the last year, during which time Lee and Associates has represented the owner. Parking for the retail uses (including three large restaurants) continues to be ample.

We spoke with Nicole Wagner, real estate agent with Fred Sands Realtors, about the residential units. There are only two condominium units available for sale in the project. Both are two-bedroom, one and three-quarter bath units with 1,188 square feet. The unit on the first floor has a garden view and has been available since early July for \$285,000. The unit on the second floor has a mountain view and has been available since mid-June for \$300,000. Both units come with two covered parking spaces. The homeowners' fees are \$301 per month. The real estate agent indicated that the units in the building rarely turnover.

Wilshire Wellesley

Developed by Dkoby Enterprises, Inc.
West Los Angeles, CA

The Wilshire Wellesley project is located on Wilshire Boulevard near Wellesley Avenue in the Brentwood area of the City of Los Angeles, near the Santa Monica border. The project includes 82,500 gross square feet on a 0.63-acre site, in six stories. This project was under construction at the time the original case study was prepared. It was planned to contain a combination of 48 market-rate condominiums and 12 price-restricted condominiums above 6,000 square feet of ground floor retail space.

Construction was completed in December 1996, by which time the 12 moderate-income restricted units had been sold, all for a set price of \$145,000. Marketing and advertising of the 48 market rate units commenced after the holiday season, in early February of this year. As of today, approximately six months later, 19 units have been sold and 29 units remain on the market. Sale prices have ranged between \$260,000 and \$440,000 per unit, significantly lower than the

\$600,000 per unit price ceiling that was originally projected by the developer. The developer reports steady walk-in traffic, but a preference among buyers for three-bedroom units ranging in size from 1,800 to 2,000 square feet. The units at Wilshire Wellesley are two-bedroom units ranging in size from 1,450 to 1,500 square feet.

Only one retail space of 1,000 square feet is available out of a total of 6,000 square feet in the project. The balance of the retail space has been leased to Bruegger's Bagels, Seattle's Best Coffee, Astro Space Bar and Beauty Club. Rent is approximately \$3.00 per square foot triple net. Preliminary marketing efforts for the retail space began about two years ago, but the developer started marketing the retail space in earnest last summer.

Several factors are contributing to the mixed success of the project, according to the developer. First, the market for condominiums has not yet rebounded and is unlikely to do so for another year, after the single-family residential market gathers more momentum. The developer attributes the project's moderate level of success to the paucity of condominiums currently on the market, but anticipates several new projects to start construction soon, due to more favorable financing conditions and recent escalations in property values. An upsurge in construction is likely to result in a further slowing of the project's condominium sales, he believes.

Second, the cost of construction has significantly increased, both in terms of labor and materials, the developer believes. Much of the skilled labor moved to other western states, including Arizona and Nevada, where construction activity continues to outpace Southern California. The cost of lumber, metal and concrete have all risen dramatically since the last construction cycle ended in about 1990. Recent changes in the ADA and fire, building and seismic codes after the 1994 Northridge earthquake contributed to the rise in construction costs. Buildings of this type had a hard cost of \$70 to \$75 per square foot in 1990. In comparison, this project had a hard cost of approximately \$130 per square foot.

The bulk of potential buyers have not yet demonstrated a willingness to accept higher prices that reflect higher construction costs, the developer reports. As a result, condominium prices per square foot relative to single-family homes prices per square foot have not risen substantially. The developer, however, expects the tightness of the inventory to usher in a new wave of condominium construction in spite of stagnant-to-declining sales prices.

Third, banks have been reluctant to underwrite mortgages for potential home buyers of condominiums in mixed-use projects. The developer experienced a "catch 22," whereby lenders required seventy percent pre-sales before approving any individual home buyer loan. The developer was able to overcome this constraint by grouping serious offers onto one floor at a time and convinced the lender to view the building in phases, floor by floor. The developer packaged unit sales by floor so that 50 percent of a floor would enter escrow simultaneously, which the lender accepted.

Notwithstanding these market and financing considerations, the developer would only consider building another mixed-use condominium project if the allowable density was increased in order to better offset the market and financing risks. This project was limited to seventy feet in height and R3 zoning (i.e., up to 54.5 units per acre). The developer expressed a need for a 100 foot height limit and a R4 designation (i.e., up to 109 units per acre) in order to increase the project by three floors and, thereby significantly increase the number of units.

Wilshire Promenade

Developed by Howard Platz Group
Fullerton, CA

This nearly 120,000 square foot mixed-use project on a 1.28-acre site, is located in the City of Fullerton, near the courts, Cal State Fullerton, Fullerton City College, an AMTRAK station and a hospital. This project consists of 128 market-rate apartments about 13,400 square feet of commercial space and a public/private parking structure.

We spoke with Alice Cutwright, on-site residential leasing staff for the building. All 128 units are rented. Three units were to be vacated in August but they had already been re-leased as of our inquiry. There is a waiting list for upcoming vacancies. The most recent vacancies in the building occurred between late March and May, but the building was fully leased during the prior winter months. Except for last spring, the building has been and continues to be fully leased.

Rent for the one-bedroom units is \$790 per month and rent for the two-bedroom units is \$950 per month for the smallest units, and up to \$1,125 per month for the larger two-bedroom units, depending on view and amenities. The highest rent is for a two-story, two bedroom townhome. Tenant parking is located one level below grade and continues to be free.

The leasing representative attributes the success of the residential component of the building to the quality of the project and its downtown location, which is adjacent to the retail district and a variety of restaurants and night time activities, and the train station. The retail district has become an antique center for Southern California as many storefront vacancies have become occupied by antique dealerships and galleries. In addition, the City of Fullerton has recently begun to focus its efforts on improving the area through new street signage and street lights.

We spoke with Bob Root of McGarvey Clarke Realty regarding the commercial space. Only 2,000 square feet remains available of the 13,400 square feet of retail space in the project, a significant improvement from our last profile. Asking rent is \$0.95 per square foot triple net. Free rent and a tenant improvement allowance in the range of \$30 per square foot are available, based on the terms of the lease. Existing lease terms are generally two to three years in length.

The broker reports an increasing number of inquiries regarding space from professionals as the retail activity along Main Street (one block away) has improved. The retail space currently leased in the building is occupied by attorneys and a dance studio.

Beverly Hills Senior Housing and Public Parking Garage
Developed by Menorah Housing Foundation
Beverly Hills, CA

This 131,000 square foot project was developed on a 1.5-acre site located on Crescent Avenue, two blocks north of Wilshire Boulevard, in the City of Beverly Hills. The project consists of three uses: (1) 150 rent-restricted apartments for very low-income seniors and disabled persons; (2) a 26,000 s.f. food market; and (3) 877 public parking spaces for residents, patrons of the market and workers and shoppers in the surrounding area.

Menorah Housing reports that the rental units remain completely full and there is an eight year waiting list. Mrs. Gooch's Market was sold to Whole Foods Market, which continues to occupy the ground floor.

Janss Court
Developer the Janss Corporation
Santa Monica, CA

This project contains 131,000 square feet on a 0.69-acre site at the corner of Broadway and the Third Street Promenade in the City of Santa Monica. This project includes 32 market-rate apartments and 50,880 square feet of office space above 33,800 square feet of commercial space, including a fourplex movie theater of 20,700 square feet and two restaurants comprising 13,100 square feet.

As we noted in the original case study, the project reportedly experienced significant structural steel joint damage in the 1994 Northridge earthquake. The cost of resolving this problem, coupled with other financing difficulties, which reportedly stem from over-spending on the project's construction, caused the Bank of Montreal, the construction lender, to initiate foreclosure proceedings.¹ The original development partnership filed for Chapter 11 bankruptcy in 1995. In fact, the Janss Corporation itself, which has developed mixed-use projects in Long Beach, among many other projects, closed its entire business in late 1995.

¹ Brad Berton, "Where Did Alleged Toxics in this Office Come From?" *Los Angeles Business Journal*, October 9, 1995, p. 6, 53.

According to news accounts,² the project was recently sold to a Northern California investment group for \$30 million, or \$225 per square foot. (This compares with a reported development cost of \$26.2 million). The fact that the project included on-site parking, though it could have relied on the City's six public parking structures to meet its parking requirement, is said to have added to its value.

Despite persistent efforts on our part, none of the real estate professionals or individuals involved in the leasing, financial work-out or the recent sale would discuss the project with us.

² Bob Howard, "Janss Retail Building in Santa Monica Sells at a Premium," *Los Angeles Business Journal*, August 4, 1997, p. 36.